

# **FISCAL MEMORANDUM**

## **SB 1740 – HB 1826**

May 16, 2007

**SUMMARY OF AMENDMENT (006743, 009076):** Amendment 006743 deletes the language of the original bill and redefines the term “biodiesel” as it applies to the Petroleum Products and Alternative Fuels Tax Law. Amendment 009076 authorizes the Department of Revenue (DOR), in consultation with the Department of Economic and Community Development (ECD), to create the Tennessee Biodiesel Manufacturers Incentive Fund (TBMIF) for the purpose of making incentive payments to Tennessee biodiesel manufacturers for product manufactured in Tennessee and sold to Tennessee distributors. All deposits to and disbursements from the TBMIF shall be subject to appropriations made in the general appropriations act.

### **FISCAL IMPACT OF ORIGINAL BILL:**

(CORRECTED)

Decrease State Revenues –

Exceeds \$52,000 – FY06-07

Exceeds \$629,000 – FY07-08 through FY12-13

Decrease Local Govt. Revenues –

Exceeds \$18,000 – FY06-07

Exceeds \$221,000 – FY07-08 through FY12-13

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact - Due to multiple unknown factors, a precise fiscal estimate for this bill as amended cannot be determined. However, state expenditures are reasonably estimated to increase by amounts exceeding \$500,000 per year.**

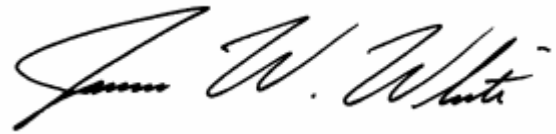
Assumptions applied to amendment:

- Such incentive payments shall be made monthly beginning September 1 of each fiscal year in which funds are available and appropriated.
- The amount of such payments shall be determined by ECD annually and based on the funds available in the TBMIF.
- Each manufacturer shall be eligible for payment for no more than ten million gallons per year.

- The fiscal impact of this bill is dependent on several unknown factors such as (1) the extent of funding appropriated to the TBMIF, (2) the fiscal years in which funding is appropriated to the TBMIF, (3) the number of eligible manufacturers, (4) the eligible manufacturer's production capabilities, and (5) the methods with which ECD would distribute such incentive payments.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc